

THE GAMES

Bingo

For the sixth consecutive year, wagering on bingo in Nebraska declined. Bingo gross receipts for the reporting period were \$19,229,963 marking bingo's lowest wagering total in 12 years. However, bingo gross receipts were down only .65 percent from the previous reporting period, perhaps indicating a leveling-off in its downward trend.

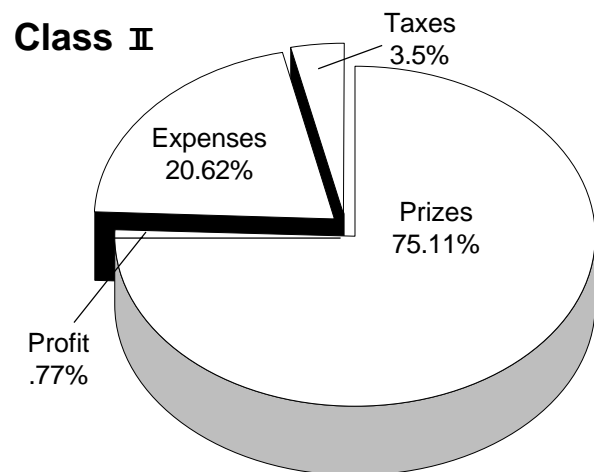
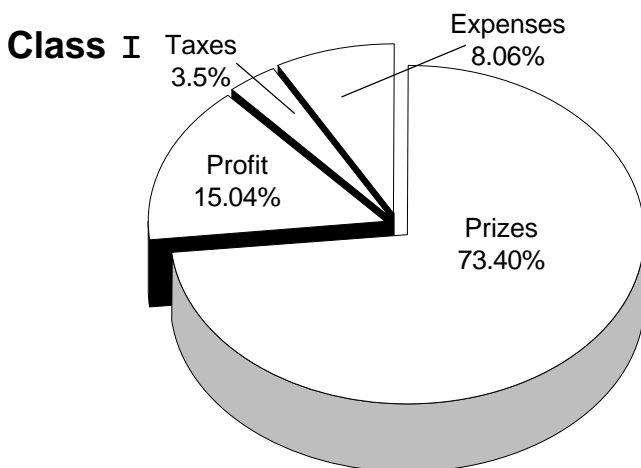
Class I bingo receipts at \$5,447,696 were actually up this reporting period by 2.7 percent, despite a decrease in the number of organizations holding a Class I bingo licensee (182 this period as compared to 194 last year). Class II bingo receipts for the reporting period totaled \$13,752,267, a decrease of 1.9 percent from the previous reporting period with the same number of licensees (34). Although bingo suffered a 5.8 percent decrease in attendance compared to last year, the average player spend actually increased from \$19.43 to \$19.98.

Both Class I and Class II licensees showed a slight increase in bingo expenses this reporting period when compared to last year. Class I licensees also had a slight (less than one percent) increase in prizes paid, while Class II licensees had a slight decrease in prizes paid. Probably the most significant statistic to note in the bingo area during this reporting period is that for the first time since the Charitable Gaming Division started publishing annual reports (1990), Class II bingo actually showed a net profit (typically, bingo acts as a loss leader for an organization's pickle card sales at the bingo occasion). Class I bingo also showed an improvement in the bottom line this reporting period, netting a 15.04 percent profit this year as compared to only 14.63 percent last year. In all likelihood, the increase in net profit for both Class I and Class II is attributable to the elimination of the local bingo tax in its entirety effective January 1, 1999.

A decrease in taxes paid for both Class I and Class II bingo licensees is reflected in the pie charts below. Again, this decline is due to a legislative change which was effective January 1, 1999, whereby the local bingo tax of one percent of the gross receipts, was eliminated.

Although the figures on this page do not include attendance, wagering, prizes, or expenses for Special Event Bingo, it is noteworthy to mention its existence. Special Event bingo is a charitable gaming option that became available in October of 1994 and which allows an organization to forego the requirement of obtaining a regular bingo license if it wants to conduct bingo only once or twice a year at a special function, such as a county fair or school fun night. As organizations have become more familiar with Special Event Bingo, many have dropped their Class I bingo licenses, obtaining a Special Event Bingo permit instead. Special Event Bingo is exempt from the tax, record keeping, and reporting requirements in place for Class I and Class II bingo licensees. The number of Special Event Bingo permits issued during this reporting period was comparable to last year, and in all likelihood continues to be a factor in the decline of the number of Class I bingo licenses issued by the Department.

	CLASS I	CLASS II	TOTAL
Bingo Gross Receipts	\$5,477,696	\$13,752,267	\$19,229,963
Prizes	4,020,833	10,330,013	14,350,847
Expenses	191,719	481,329	673,049
Taxes (3% State and 1% Local)*	441,429	2,835,920	3,277,348
Profit	\$ 823,715	\$ 105,005	\$ 928,719



Number of Occasions Conducted	12,949
Attendance Reported	962,161
Average Player Spend Per Occasion	\$19.98**

* The local bingo tax was eliminated effective January 1, 1999.

** Does not include player spend on pickle cards sold at the bingo occasions.

Pickle Cards

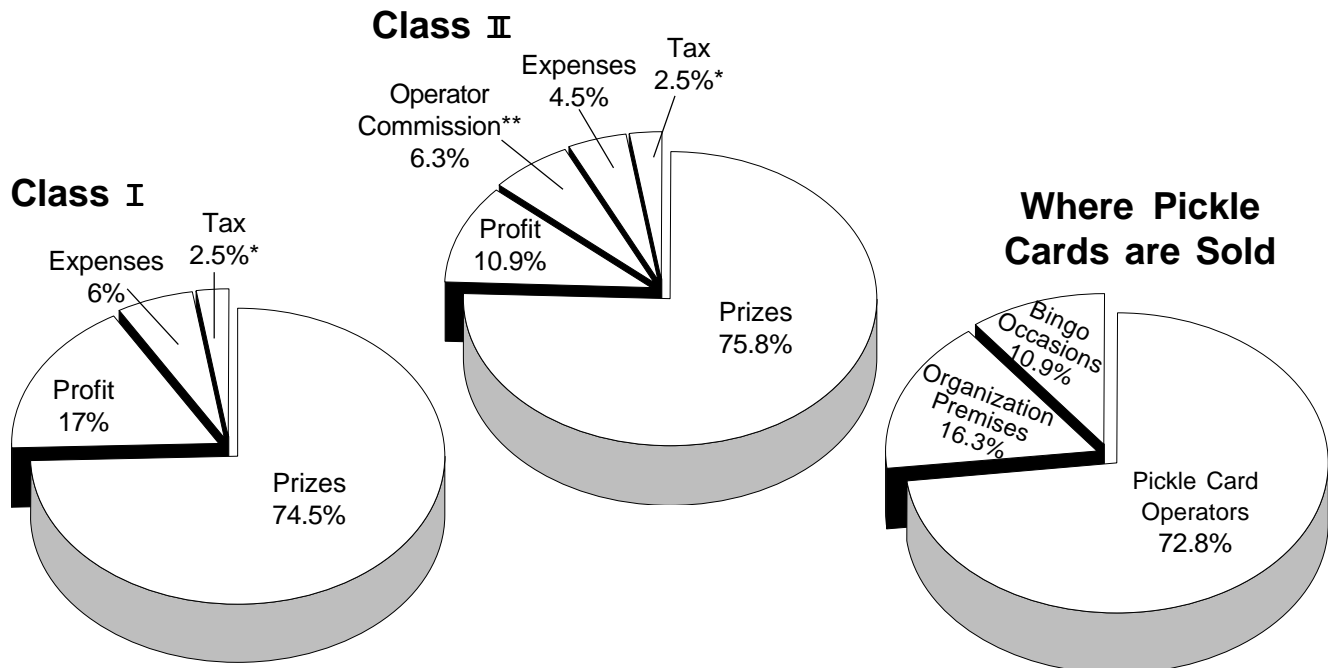
As has been the case for the past four reporting periods, pickle card sales in Nebraska declined during this reporting period and amounted to only \$90,502,926. This is a 9.8 percent decrease compared to the previous reporting period, and marked the first time since 1986 that pickle card sales failed to reach \$100,000,000. Overall, pickle card sales are down 49 percent from their peak during the 1994 reporting period when sales hit \$177,359,919. Conjointly, the number of pickle card units sold during the reporting period also declined (down 9 percent) with only 43,157 units reported sold as compared to 47,659 for the previous reporting period.

Class I licensees, those selling pickle cards only at their designated premises (club facility) and bingo occasions reported a decrease in sales of 5.4 percent going from \$16,447,398 last year to \$15,555,068 this year. For the same period, Class II licensees, those selling primarily through pickle card operators, had a decrease in sales of 10.6 percent dropping from \$83,841,612 last year to \$74,947,858 for this year. The number of organizations licensed to conduct a lottery by the sale of pickle cards also decreased again this reporting period (down from 671 to 653), with decreases for both Class I and Class II licensees.

A majority of the pickle cards sold in Nebraska continue to be through pickle card operators, although there was a decrease in that percentage again this reporting period (dropping from 73.2 percent to 72.8 percent). For the fourth consecutive year, the number of licensed pickle card operators continued to drop going from 1,551 last year to 1,495 this year. The number of pickle card dispensing devices registered during the reporting period also declined from last year, dropping by 7.5 percent (1,683 devices registered this period as compared to 1,820 for the same period last year).

No significant changes were seen this reporting period as compared to last with respect to the percentage distribution of pickle card gross proceeds for both Class I and Class II licensees (see pie charts below).

	CLASS I	CLASS II	TOTAL
Pickle Card Gross Proceeds	\$15,555,068	\$74,947,858	\$90,502,926
Prizes	11,592,171	56,877,523	68,469,694
Operator Commissions	N/A	4,748,568	4,748,568
Expenses	937,259	3,365,392	4,302,651
Tax	378,270	1,822,592	2,200,862
Profit	\$ 2,647,368	\$ 8,133,783	\$ 10,781,151



Pickle Card Dispensing Devices Registered	1,683
Number of Pickle Card Units Sold	43,157

* The statutory pickle card tax rate is ten percent of definite profit, which translates to approximately 2.5 percent of gross proceeds.

** The statutory maximum allowed for a pickle card operator commission is 30 percent of definite profit, which translates to approximately 7 percent of gross proceeds.

Lotteries and Raffles

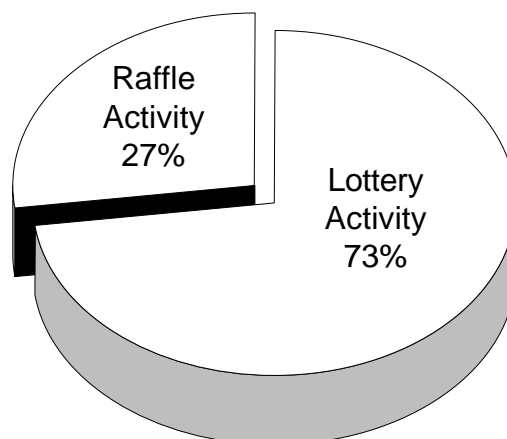
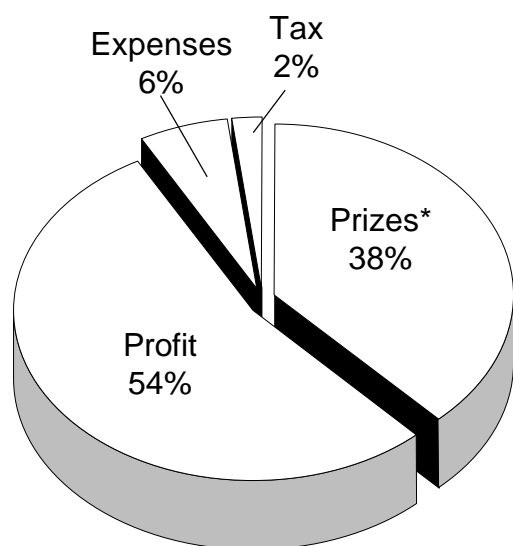
For the past four reporting periods, lottery/raffle gross proceeds have continued to hold fairly steady between the 3 and 3.5 million dollar mark. During this reporting period, the lottery/raffle combined gross proceeds topped out at \$3,458,815, down just a little over 2 percent when compared to the same period last year. Separating the two activities, the sale of lottery tickets (primarily cash prize drawing) actually jumped 25.8 percent; however raffle ticket sales (primarily merchandise prize drawing) dropped 39.7 percent. We caution, however, that due to the relatively small volume of lottery/raffle activity in comparison to the other charitable gaming activities, one or two large lotteries or raffles per reporting period can have a significant impact on the percent of increase or decrease for this program.

The total number of lottery/raffle licensees during this reporting period (186) remained the same as that reported for last year. A more in-depth analysis of lottery versus raffle activity was completed this year by the Charitable Gaming Division, resulting in a new pie chart being included on this page for the first time, illustrating the percentage of dollars spent on lottery v. raffle tickets. This new pie chart clearly demonstrates, at least with respect to licensed lotteries and raffles, drawings for cash or primarily cash prizes are far more prevalent than drawings for merchandise prizes.

Some shifting in the percentage distributions of lottery/raffle gross proceeds were seen this reporting period, as illustrated in the larger pie chart shown below. The prizes paid increased from 34 percent last year to 38 percent this year, and expenses dropped from 10 percent last year to 6 percent this year. Lottery/raffle profits at 54 percent remained the same as reported for the previous year.

It should be noted that the figures on this page represent only lotteries with gross proceeds (ticket sales) exceeding \$1,000, and raffles with gross proceeds exceeding \$5,000. Nonprofit organizations conducting lotteries or raffles with gross proceeds equal to or below these thresholds are not required to file reports with the Department or pay any lottery/raffle tax. A significant number of lotteries and raffles conducted in Nebraska fall within the non-reportable category.

Lottery Gross Proceeds	\$2,540,023
Raffle Gross Proceeds	918,792
Total Gross Proceeds	3,458,815
Prizes	1,302,696
Expenses	210,177
Total Taxes	69,176
Profit	\$1,876,766



* Actual prizes awarded equaled 44 percent of the total gross proceeds; however, of this 44 percent, six percent of the prizes awarded were donated prizes.

County/City Lotteries

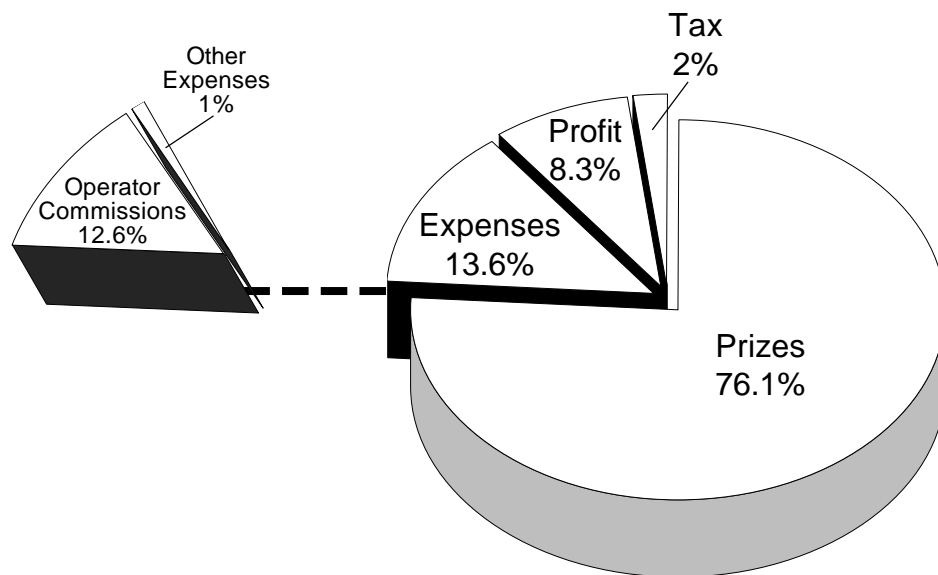
After suffering three years of wagering decline, county/city lottery (keno) rebounded slightly this year showing a 1.45 percent increase over the previous reporting period. Gross wagering at \$156,068,465 represented an increase of approximately 2.2 million dollars. This increase may be due at least in part to four new communities who started conducting county/city lottery activity during the reporting period (the cities of Auburn and Wilber, and the villages of Shelton and Sprague). Despite this year's positive news, however, overall county/city lottery wagering is still down 25.2 percent from its peak wagering of \$208,670,897 during the 1995 reporting period.

Communities and lottery operators are continuing to evaluate the performance of their lotteries and considering enhancements which may restore some of the handle lost to other forms of gambling. Progressive jackpots, larger prizes, and other game enhancements to attract increased play are more prevalent. Some live ball draw operations are opting for the recently approved automated ball draw method of winning number selection or are using a random number generator method of winning number selection during their slower times in order to reduce labor costs. There continue to be concerns expressed about the statutory five-minute time requirement between games, the prohibition against player activation of keno equipment, and the requirement for a paper ticket.

Only three communities held an election on the establishment of a lottery during the reporting period as compared to eight communities for the same period last year. All three of these communities approved the operation of a lottery within their jurisdictions (see pages 12 & 13 of this report for election status details). The number of communities licensed to conduct a lottery increased to 137 during this reporting period; only 132 were licensed for the same period last year. However, of the 137 communities licensed it should be noted that 14 communities were not operating their lotteries during or at the close of this reporting period (see pages 12 & 13 for licensed but inactive lotteries).

Virtually no change was seen this reporting period as compared to last with respect to the distribution of county/city lottery gross proceeds (see pie chart below). The percent of prizes paid showed only a minimal increase rising from 75.7 to 76.1 percent, as did expenses increasing from 13.4 to 13.6 percent. Concurrently, profits decreased from 8.9 to 8.3 percent.

County/City Lottery Gross Proceeds	\$156,068,465
Prizes	118,820,786
Lottery Operator Commissions	\$19,777,765
Other Expenses	\$ 1,334,942
Total Expenses	21,112,707
Tax	3,121,368
Profit	\$ 13,013,604



COUNTY/CITY LOTTERY ELECTION AND LICENSING STATUS

as of June 30, 1999

Holding Election	Result of Election	License Issued	Status	Holding Election	Result of Election	License Issued	Status
Ainsworth	Defeated			Gosper County	Affirmative	Yes	Active
Albion	Defeated			Grafton	Affirmative	Yes	Active
Alda	Affirmative		(b)	Grant	Affirmative	Yes	Active
Alliance	Affirmative	Yes	Active	Greeley	Affirmative	Yes	Active
Anselmo	Affirmative	Yes	Active	Greenwood	Affirmative		(b)
Arthur County	Affirmative	Yes	Active	Gretna	Affirmative	Yes	Active
Ashland	Affirmative	Yes	Active	Gurley	Affirmative		(b)
Auburn	Affirmative	Yes	Active	Haigler	Affirmative		(c)
Aurora	Defeated			Hall County	Affirmative	Yes	Active
Avoca	Affirmative	Yes	Inactive (c)	Hardy	Affirmative	Yes	Active
Banner County	Affirmative		(b)	Harlan County	Affirmative	Yes	Active
Battle Creek	Affirmative	Yes	Active	Hartington	Affirmative	Yes	Active
Bayard	Affirmative	Yes	Active	Hastings	Affirmative	Yes	Active
Beatrice	Affirmative	Yes	Active (a)	Hay Springs	Affirmative	Yes	Active
Beaver City	Affirmative		(b)	Hebron	Affirmative	Yes	Active
Beaver Crossing	Affirmative	Yes	Active (a)	Hemingford	Affirmative	Yes	Active
Bee	Affirmative		(b)	Hershey	Affirmative	Yes	Active
Beemer	Affirmative	Yes	Active	Hickman	Defeated		
Belgrade	Affirmative	Yes	Active	Holbrook	Affirmative	Yes	Active (a)
Bellevue	Affirmative	Yes	Active (a)	Holdrege	Affirmative	Yes	Active
Belvidere	Affirmative		Inactive (a)	Hooper	Affirmative		(c)
Benedict	Affirmative	Yes	Active	Howells	Affirmative	Yes	Active
Benkelman	Affirmative	Yes	Inactive (c)	Hubbell	Affirmative	Yes	Active
Bennington	Affirmative	Yes	Active	Humboldt	Affirmative		(b)
Blair	Affirmative	Yes	Active	Humphrey	Affirmative		(b)
Bloomfield	Affirmative	Yes	Active	Imperial	Affirmative		Inactive (c)
Bloomington	Affirmative	Yes	Active	Indianola	Affirmative	Yes	Inactive (c)
Blue Hill	Affirmative		(c)	Inglewood	Affirmative	(Part of Fremont)	Active
Blue Springs	Affirmative	Yes	Active	Kearney	Affirmative	Yes	Active
Brady	Affirmative	Yes	Active	Keith County	Affirmative	Yes	Active
Brewster	Affirmative		(c)	Kenesaw	Defeated		
Bridgeport	Affirmative	Yes	Active	Kennard	Affirmative		(a)
Brown County	Defeated			Kimball	Affirmative	Yes	Active
Brownville	Affirmative	Yes	Inactive (c)	Lancaster County	Affirmative	(Part of Lincoln)	Active
Buffalo County	Defeated			LaVista	Affirmative	Yes	Active (a)
Burr	Affirmative		(b)	Lewellen	Affirmative		Inactive (c)
Cambridge	Affirmative	Yes	Active	Lincoln	Affirmative	Yes	Active
Cedar Creek	Affirmative		Inactive (a)	Lincoln County	Affirmative	(Part of North Platte)	Active
Central City	Defeated			Lindsay	Affirmative	Yes	Active (a)
Chadron	Affirmative	Yes	Active	Lodgepole	Affirmative		(b)
Chappell	Affirmative		(b)	Long Pine	Affirmative	Yes	Active
Cheyenne County	Affirmative	Yes	Active	Lorton	Affirmative	Yes	Active
Clarkson	Affirmative	Yes	Active	Louisville	Affirmative		(c)
Columbus	Affirmative	Yes	Active	Loup City	Affirmative	Yes	Active (a)
Cortland	Affirmative		(c)	Lyman	Affirmative	Yes	Active
Cozad	Defeated			Madison	Defeated		
Craig	Affirmative		(b)	Madrid	Affirmative	Yes	Active
Crawford	Affirmative	Yes	Active	Maywood	Affirmative	Yes	Active
Creston	Affirmative	Yes	Inactive (c)	McCook	Affirmative	Yes	Active
Crete	Affirmative	Yes	Active (a)	McGrew	Affirmative	Yes	Active
Dakota City	Affirmative		Inactive (a)	Melbeta	Affirmative		(b)
David City	Affirmative	Yes	Active (a)	Memphis	Affirmative	Yes	Active
Dawson County	Affirmative	Yes	Active	Merriman	Defeated		
Denton	Affirmative	Yes	Active (a)	Milligan	Affirmative		(c)
Deuel County	Affirmative	Yes	Active	Minatare	Affirmative	Yes	Active
Dodge	Affirmative		(b)	Minden	Defeated		
Dodge County	Affirmative		(b)	Monroe	Affirmative		(b)
Doniphan	Affirmative	Yes	Active	Morrill	Defeated		
Douglas County	Affirmative	(Part of Omaha)	Active (a)	Morse Bluff	Affirmative	Yes	Active (a)
Duncan	Affirmative	Yes	Active (a)	Mullen	Affirmative		(a)
Dwight	Affirmative	Yes	Active (a)	Nebraska City	Defeated		
Eagle	Affirmative	Yes	Active	Nehawka	Affirmative	Yes	Active
Elkhorn	Affirmative	Yes	Active (a)	Neligh	Affirmative		Inactive (c)
Elwood	Affirmative		(b)	Norfolk	Defeated		
Ericson	Affirmative	Yes	Active	North Bend	Affirmative	Yes	Active
Exeter	Affirmative	Yes	Active	North Platte	Affirmative	Yes	Active
Fairbury	Affirmative	Yes	Active	Odell	Affirmative		(b)
Fairfield	Affirmative	Yes	Active (a)	Omaha	Affirmative	Yes	Active (a)
Fairmont	Affirmative		(b)	O'Neill	Affirmative	Yes	Active
Falls City	Defeated			Ong	Affirmative	Yes	Active
Fillmore County	Affirmative			Ord	Defeated		
Fort Calhoun	Affirmative	Yes	Active (a)	Osceola	Defeated		
Franklin	Affirmative	Yes	Active	Oshkosh	Affirmative		(c)
Fremont	Affirmative	Yes	Active	Osmond	Defeated		
Fullerton	Affirmative		Inactive (a)	Otoe	Affirmative	Yes	Inactive (c)
Gage County	Affirmative		(b)	Overton	Affirmative	Yes	Inactive (c)
Geneva	Defeated			Oxford	Affirmative	Yes	Active (a)
Genoa	Affirmative		(b)	Palisade	Affirmative	Yes	Active
Gering	Affirmative	Yes	Active	Palmer	Defeated		
Goehner	Affirmative		(b)	Palmyra	Affirmative		(c)

Holding Election	Result of Election	License Issued	Status	Holding Election	Result of Election	License Issued	Status
Papillion	Affirmative	Yes	Active (a)	Stanton	Affirmative		(b)
Pawnee City	Affirmative		Inactive (a)	Sterling	Affirmative		Inactive (c)
Peru	Affirmative		(b)	Stuart	Affirmative	Yes	Active
Platte Center	Affirmative		Inactive (a)	Superior	Affirmative	Yes	Active
Plattsmouth	Affirmative	Yes	Active (a)	Sutherland	Affirmative	Yes	Active
Pleasant Dale	Affirmative	Yes	Active	Sutton	Defeated		
Polk	Defeated			Syracuse	Affirmative	Yes	Active
Potter	Affirmative	Yes	Active	Talmage	Affirmative		(b)
Prague	Affirmative	Yes	Active	Tecumseh	Affirmative	Yes	Active
Ralston	Affirmative	Yes	Active (a)	Terrytown	Affirmative	Yes	Active
Randolph	Affirmative	Yes	Active	Trenton	Affirmative	Yes	Active
Ravenna	Affirmative		Inactive (a)	Unadilla	Affirmative	Yes	Active
Raymond	Affirmative	Yes	Active	Utica	Defeated		
Roca	Affirmative	Yes	Active	Valentine	Defeated		
Rulo	Affirmative	Yes	Active (a)	Valley	Affirmative	Yes	Active
Rushville	Affirmative	Yes	Inactive (a)	Valley County	Affirmative		(a)
St. Edward	Affirmative		(a)	Valparaiso	Affirmative	Yes	Active
Sargent	Affirmative		(b)	Verdon	Affirmative		Inactive (c)
Sarpy County	Affirmative	Yes	Active	Waco	Affirmative	Yes	Active
Schuyler	Affirmative	Yes	Active (a)	Wahoo	Affirmative	Yes	Active
Scotts Bluff County	Affirmative	Yes	Active (a)	Wallace	Affirmative		(c)
Scribner	Affirmative	Yes	Active (a)	Walshill	Affirmative		Inactive (a)
Seward	Defeated			Washington County	Affirmative		(b)
Seward County	Defeated			Waterloo	Affirmative	Yes	Active
Shelby	Affirmative		(b)	Wauneta	Affirmative	Yes	Active
Shelton	Affirmative	Yes	Active	Waverly	Affirmative	Yes	Active
Sidney	Defeated			Wayne	Affirmative		(a)
Silver Creek	Affirmative	Yes	Inactive (a)	West Point	Defeated		
Smithfield	Affirmative		(b)	Wilber	Affirmative	Yes	Active
Snyder	Affirmative		(a)	Wisner	Defeated		
South Bend	Affirmative		(b)	Wolbach	Affirmative	Yes	Inactive (c)
South Sioux City	Affirmative	Yes	Active (a)	Wymore	Defeated		
Spalding	Affirmative	Yes	Active	Wynot	Affirmative	Yes	Active
Sprague	Affirmative		Inactive (c)	Yutan	Affirmative		(b)
Springfield	Affirmative	Yes	Active				

(a) Election valid anytime

(b) Election expired

(c) Election subject to expiration

LOTTERIES LICENSED BY COUNTY

as of June 30, 1999

Adams	Dakota	Gosper	Madison	Sarpy (cont.)
City of Hastings	City of South Sioux City	Gosper County	City of Battle Creek	City of LaVista
Arthur	Dawes	Greeley	Merrick	City of Papillion
Arthur County	City of Chadron	Village of Greeley	Village of Silver Creek*	Sarpy County
Box Butte	City of Crawford	Village of Spalding	Morrill	City of Springfield
City of Alliance	Dawson	Village of Wolbach*	City of Bayard	Saunders
Village of Hemingford	Dawson County	Hall	City of Bridgeport	City of Ashland
Brown	Village of Overton	Village of Doniphan	Nance	Village of Memphis
City of Long Pine	Deuel	Hall County	Village of Belgrade*	Village of Morse Bluff
Buffalo	Deuel County	Harlan	Nemaha	Village of Prague
City of Kearney	Dodge	Harlan County	City of Auburn	Village of Valparaiso
Village of Shelton	City of Fremont	Hitchcock	Village of Brownville*	City of Wahoo
Butler	Village of Inglewood	Village of Palisade	Nuckolls	Scotts Bluff
City of David City	City of North Bend	Village of Trenton	Village of Hardy	City of Gering
Village of Dwight	City of Scribner*	Holt	City of Superior	Village of Lyman
Cass	Douglas	City of O'Neill	Otoe	Village of McGrew
Village of Avoca*	City of Bennington	Village of Stuart	Village of Lorton	City of Minatare*
Village of Eagle	Douglas County	Jefferson	Village of Otoe*	Scotts Bluff County
Village of Nehawka	City of Elkhorn	City of Fairbury	City of Syracuse	Village of Terrytown
City of Plattsmouth	City of Omaha	Johnson	Village of Unadilla	Seward
Cedar	City of Ralston	City of Tecumseh	Perkins	Village of Beaver
City of Hartington	City of Valley	Keith	City of Grant	Crossing
City of Randolph	Village of Waterloo	Keith County	Village of Madrid	Village of Pleasant Dale*
Village of Wynot	Dundy	Kimball	Phelps	Sheridan
Chase	City of Benkelman*	City of Kimball	City of Holdrege	City of Hay Springs
Village of Wauneta	Filmore	Knox	Platte	City of Rushville*
Cheyenne	Village of Exeter	City of Bloomfield	City of Columbus	Sherman
Cheyenne County	Village of Grafton	Lancaster	Village of Creston*	City of Loup City
Village of Potter	Franklin	Village of Denton	Village of Duncan	Thayer
Clay	Village of Bloomington	Lancaster County	Village of Lindsay	City of Hebron
City of Fairfield	City of Franklin	City of Lincoln	Red Willow	Village of Hubbell
Village of Ong*	Frontier	Village of Raymond	City of Indianola*	Washington
Colfax	Village of Maywood	Village of Roca	City of McCook	City of Blair
City of Clarkson	Furnas	Village of Sprague	Richardson	City of Fort Calhoun
Village of Howells	City of Cambridge	City of Waverly	Village of Rulo*	Wheeler
City of Schuyler	Village of Holbrook	Lincoln	Saline	Village of Ericson
Cuming	Village of Oxford	Village of Brady	City of Crete	York
Village of Beemer	Gage	Village of Hershey	City of Wilber	Village of Benedict
Custer	City of Beatrice	Lincoln County	Sarpy	City of Bellevue
Village of Anselmo	City of Blue Springs	City of North Platte	City of Gretna	City of Gretna
		Village of Sutherland		

* Licensed but inactive